

City of Lafayette Staff Report

For: City Council
By: Niroop K. Srivatsa
Date Written: January 4, 2008
Meeting Date: January 14, 2008
Subject: Draft Regional Housing Needs Allocation 2007-2014

Purpose

To continue discussions on the regional housing needs allocations (RHNA) and to authorize the Mayor to forward a letter to the ABAG Board expressing Lafayette's concerns about the regional housing needs allocations process and the methodology used to assign housing units to the jurisdictions in the Bay Area.

Background

In May 2006, ABAG established a Housing Methodology Committee (HMC), an advisory committee to staff, to help develop a methodology for allocating the regional housing numbers for the period 2007-2014. The membership of the HMC included three representatives from each of the nine counties, two representatives of the ABAG Executive Board, as well as stakeholder representatives related to Affordable Housing, Environmental Issues, Social Equity and the Home Building Industry. In November 2006 and January 2007, the Lafayette City Council submitted two letters to the HMC and ABAG Board expressing concerns about the draft methodology; however, in January 2007, the ABAG Board adopted the methodology recommended by the HMC and ABAG staff.

In the spring of 2007, the Department of Housing and Community Development (HCD) determined that the Bay Area needs to plan for between 214,500 and 227,500 housing units for the period 2007-2014. HCD has also determined the distribution of these units by the following income categories – very low, low, moderate and above moderate.

Given this allocation from the State and using the methodology adopted by its Board in January 2007, ABAG allocated housing units to all jurisdictions in the nine-County area. This draft allocation (RHNA – regional housing needs allocation) was approved by the ABAG Board on July 19, 2007. The following table presents the distribution of this housing need by income category for Lafayette for the previous planning period (1999-2006) and the new planning period (2007-2014):

Income Group	1999 - Housing Units	2006 % of Total	2007- Housing Units	2014 % of Total
Very Low	30	15	113	31
Low	17	9	77	22
Moderate	42	22	80	22
Above Moderate	105	54	91	25
Total	194	100	361	100

In September 2007, nineteen local governments, including Lafayette submitted comments regarding their allocations (sampling of comments from jurisdictions comparable to Lafayette are attached). According to the ABAG staff report prepared for the Board's consideration on November 15, 2007 (attached), the majority of the comments were in regards to dissatisfaction with the RHNA method, the affordable unit's distribution method, the feasibility of planning for and/or building the required units, especially affordable units, and how the RHNA allocation was inconsistent with local land use plans. On November 15th, the ABAG Board adopted the RHNA numbers without making any changes to Lafayette's allocations. The Board granted did however grant Palo Alto's revision request of 645 units attributed to housing growth, existing jobs and job growth at Stanford University, because Santa Clara County, not Palo Alto, has planning authority for Stanford University.

Next Steps

The RHNA process allows jurisdictions to appeal the Board's actions by January 16, 2008. The RHNA schedule is as follows:

Action	Date
Open Appeals Period	November 15, 2007
Form Appeals Subcommittee	November 15, 2007
Subcommittee Hears Appeals	December-January 2008
Public Hearing on Appeals	January 17, 2008
Release Proposed Final RHNA Plan	January 17, 2008
Public Hearing on Final RHNA	March 20, 2008
Release Final RHNA	March/April 2008
HCD Determines RHNA Compliance	June/July 2008

City Council Meeting of December 10, 2007

The City Council considered this matter on December 10, 2007 and discussed the pros and cons of appealing the allocations. The item was continued to the January 14, 2008 meeting and staff was directed to obtain answers to the following questions.

Is there a fee to appeal the draft allocations?

There is no appeal fee.

What should the appeal letter include?

According to ABAG staff, a jurisdiction needs to provide a rationale for the appeal; that is, if it believes there was an error in applying the methodology. The same reasons given by the jurisdiction earlier should serve as the basis for the appeal. It is ABAG staff's opinion that any appeal based on dissatisfaction with the allocation method is unlikely to be supported, as the allocation method was adopted by the Board in July 2007 and cannot be altered.

What is the deadline to appeal?

January 16, 2008.

How many appeals has ABAG received to date?

One from the City of Mountain View (appeal letter is attached). It is likely that the City of Palo Alto will file an appeal.

What are the reasons for the appeal?

Mountain View is appealing the 280 units it was assigned for Moffett Federal Airfield because the majority of the airfield is in unincorporated Santa Clara County, under federal jurisdiction and outside the control of Mountain View.

What are the pros and cons of appealing the allocation?

Pros

1. Filing an appeal with the ABAG Board preserves Lafayette's rights to litigate the RHNA numbers should it wish to do so in the future.
2. Since very few jurisdictions are expected to appeal, Lafayette's appeal may finally catch ABAG's attention.

Cons

1. Lafayette's problem has been with the methodology used to assign the housing units. We did not find that there was an error in applying that methodology. ABAG staff indicates that any appeal based on dissatisfaction with the allocation method is unlikely to be supported, as the allocation method was adopted by the Board in July 2007 and cannot be altered. Therefore, it is unlikely that an appeal will be upheld.
2. ABAG is instrumental in the allocation of parks grants, housing grants, urban development grants. If Lafayette appeals, it may be viewed as obstreperous and uncooperative and an appeal may diminish our chances of receiving these grants.
3. If an appeal were successful our numbers would be allocated to other jurisdictions and that could impact our relationship and partnership with those other jurisdictions on other projects and programs.

Staff Comments

Through a series of letters to the ABAG Board filed in 2006 and 2007, Lafayette has documented the topographical, infrastructural and economic constraints that prevent it from achieving its RHNA numbers. We have indicated that we are a mature, built out community heavily constrained by natural topography which impacts our ability to both accommodate additional growth and expand our infrastructure. We have explained that there is no feasible way that Lafayette can accommodate the rate of growth required to achieve the regional housing allocations. Despite these efforts, our request to have the allocation reduced has been ignored by the ABAG Board. Other jurisdictions similar in size, topography and socio economic characteristics have also expressed concerns with their allocations and ABAG has not reduced their housing numbers.

Given these facts, staff is not recommending that Lafayette file an appeal of its RHNA numbers. However, we continue to have grave concerns with the methodology that was used to generate the allocations as well as the process that was used to solicit comments from affected jurisdictions. Staff recommends that the Mayor forward a letter to the ABAG Board expressing Lafayette's frustration over the way the allocations process was handled and suggesting a better approach for the next allocation cycle.

Recommendation

Authorize the Mayor to forward a letter to the ABAG Board expressing Lafayette's concerns about the regional housing needs allocations process and the methodology used to assign housing units to the jurisdictions in the Bay Area.

Attachment

1. Draft letter to ABAG's Board
2. ABAG staff report dated November 1, 2007 and minutes of the November 15, 2007 ABAG board meeting
3. Comment letters regarding the draft allocations from jurisdictions including Lafayette
4. Mountain View's appeal letter
5. Minutes of December 10, 2007 City Council meeting



ATTACHMENT 1

CITY COUNCIL

Mike Anderson, Mayor
Don Tatzin, Vice Mayor
Brandt Andersson, Council Member
Carl Anduri, Council Member
Carol Federighi, Council Member

January 15, 2008

David Cortese
President, ABAG Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Dear Mr. Cortese:

In 2006, Mayor Samson sent you a letter with our comments on the draft methodology for the distribution of the State's regional housing needs allocations (RHNA). In the letter, we suggested that topography, congestion and economic impacts be added as factors in determining where future growth should take place. We stated that the incorporation of these key factors would make the allocations process more realistic and achievable. To our disappointment, the Executive Board did not discuss our comments at its meeting, did not incorporate these factors and provided no explanation as to why they were not included.

In January 2007, we sent a letter to you advising you of additional issues we had, including the unrealistic growth projections that the RHNA allocations represented, as well as concerns regarding the income distribution assumptions made by ABAG in determining which jurisdictions, including Lafayette, would be forced to accept an inequitable distribution of lower-income units.

On July 19, 2007, the ABAG Executive Board adopted its draft allocation for the City of Lafayette, which apparently takes none of these concerns into consideration. We were very disappointed to learn that in fact our overall allocation was **increased**, rather than reduced, following the input we provided to your staff.

We again wrote in September to request another review of our allocation based on further information we provided. The response we received was again disappointing: like other letters we have received from ABAG, there was no direct response to our statements of fact, but rather a letter simply dismissing our concerns.

The City of Lafayette has determined that, considering the lack of substantive responsiveness from ABAG, that it will not formally appeal its allocation. However, we do want to go on record with the following concerns:

First, as we noted in a previous letter, the allocation methodology appears to do exactly the opposite of what ABAG intends. ABAG staff asserts that having an equal share strategy might allocate affordable housing in jurisdictions that are less likely to build a unit. In the next paragraph, ABAG staff adjusted this factor such that it put more affordable units in the areas where they are less likely to be built. Also, the report states it would allow for voluntary transfers back to the other jurisdictions; however, what is needed is an equal spread of affordability.

Although the rewarding of communities with a track record of building affordable housing by being able to build a higher percentage of the market rate housing is a laudable goal, in reality the methodology assumes that each city is alike in terms of the types of housing needed, regardless of what the Census data may show. And, even though the City Council agrees in concept that communities need to provide their fair share of affordable housing, merely allocating more of the affordable unit requirements to those jurisdictions that are not able to provide the desired levels of affordable housing, despite their best intentions, will not produce the results ABAG anticipates.

Second, we were disappointed at the way in which our input was seemingly dismissed by ABAG.

The City provided significant information on a number of occasions, and yet the responses from ABAG appeared simply to reiterate that it would not change the allocations, rather than offer any direct response to our concerns. Because of this, the City was left with the impression that ABAG's mind was already made up and no amount of input would have changed anything. In the future, it would be helpful to provide a more transparent communication between ABAG and jurisdictions so that there would be clear understanding why certain information provided was not considered.

Sincerely,

Mike Anderson
Mayor

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

M E M O

To: ABAG Executive Board
From: Paul Fassinger, ABAG Research Director
Christy Riviere, Senior Planner
Date: November 1, 2007
Subject: RHNA Revision Requests and Opening of Appeals Period

Summary

The period to request revisions to local RHNA allocations closed on September 21, 2007. Nineteen local governments submitted comments during this period. The majority of comments focused on Projections 2007 and consistency with local land use plans. Two jurisdictions made specific revision requests based on their local planning and permitting authority.

ABAG staff had up to 60 days to respond to local requests for a revised RHNA share. Responses are summarized in this memo, along with recommended actions for ABAG's Executive Board. The Board may accept the proposed revisions, modify the draft determination, or determine that the requested revisions are inconsistent with the regional housing need method and/or statute.

Local Revision Requests

Nineteen cities submitted comments during the request for revisions period. All comments were submitted in writing, and include some rationale for the requested revision. According to state housing law, all revision requests must be made in accordance with the "factors" as listed in the state statute, including any information submitted by the local government to ABAG. Requests for revised shares are also to be based upon "comparable data" available for all affected jurisdictions and accepted planning methodology and supported by adequate documentation.

Of the nineteen revision letters received, only two cities, Mountain View and Palo Alto, made specific numeric requests for a revised RHNA share. The majority of the comments were in regards to dissatisfaction with the RHNA method, the affordable unit's distribution method, the feasibility of planning for and/or building the required units, especially affordable units, and how the RHNA allocation is inconsistent with local land use plans. For example, the City of Belvedere believes the Projections 2007 forecast is too high and therefore makes the allocation method faulty.

Berkeley also raised concerns about UC Berkeley, given requirements to consider the impact of colleges and universities in constructing the methodology. As a major subregional employment center, Berkeley argues that other jurisdictions ought to plan housing for and the city's belief that group quarters should be considered toward meeting their RHNA allocation.

As many of the comments pertained to the RHNA method and/or Projections 2007, it is important to note that the final method, including the income distribution was adopted by ABAG's Board in July 2007. Projections were adopted in January 2007. Staff has not recommended any revisions due to dissatisfaction with the RHNA method or Projections 2007. All local comments are summarized, along with staff responses, in Attachment 1.

Staff Recommendations on Local Revision Requests

Mountain View and Palo Alto each made specific requests for a revised RHNA share. Mountain View has made a request to reduce their allocation by 280 units. The basis for the request is that these units were attributed to them due to growth occurring within the NASA Ames area, located in Mountain View's SOI and controlled by the Federal Government. The city claims they do not have authority to plan for this area. The city asked that these units be removed from their allocation. Staff has reviewed Mountain View's allocation and agrees that a portion of their allocation is related to existing jobs and expected growth in the NASA Ames area. Although the city may not have authority to plan for or permit housing directly on the Ames land, staff feels that this lack of planning authority does not negate or preclude the housing need generated by the sight. And because this is federal land, the county also does not have planning or permitting authority for the site. Ideally, the city will take any employment anticipated to be generated by NASA and consider planning for housing within their SOI or city boundaries to accommodate the housing need.

In Palo Alto, city staff has requested a revision to its allocation by 645 dwelling units. The justification is that these units are attributed to growth at Stanford University. Although the University is within the city's sphere, in this case, it is subject to Santa Clara County land use control. Staff met with staff from Palo Alto, the County of Santa Clara and Stanford University and has reviewed Palo Alto's allocation. Indeed, a portion of their allocation is related to existing jobs and expected growth at Stanford. Stanford's development is controlled by a General Use Permit granted by the county. The permit requires housing to be planned and built to offset commercial and other development being planned by the university. Therefore, staff recommends that the Board reduces Palo Alto's RHNA share by 645 units. Staff further recommends that these units be reassigned to Santa Clara County as follows.

Change in Housing Unit Responsibility from Palo Alto to Santa Clara County

	Very Low	Low	Moderate	Above Mod	Total
Units	156	123	145	221	645

RHNA Next Steps: Appeals Period, Negotiated Transfers, Appeals Response, Final RHNA

Appeals

According to state law, appeals and negotiated transfers can be made if ABAG does not accept the proposed revised share or modify the revised share to the satisfaction of the requesting local government. If this happens, a local government who has made a revision request may then appeal its draft allocation or transfer the appealed amount to another willing jurisdiction. The appeals period is 60 days and starts at the close of the revision period, i.e. November 15, 2007. Appeals can be made before January 2008.

Appeals Committee

Staff recommends that the ABAG Board form an appeals committee to hear RHNA appeals. Few appeals are anticipated, for there were only two specific requests for revised shares. According to state law, a local government may appeal only if ABAG denies the revision request or does not respond to the satisfaction of the local government, i.e. grants a partial revision on the total requested. Since few appeals are anticipated, only 1-2 meetings may be necessary. At these meetings, local governments would be asked to present to their case to the committee. The committee would deliberate and make a recommendation to the ABAG Board at their January 2008 meeting.

Staff recommends that a 5 member appeals committee be formed from self-nominated members of the ABAG Executive Board. It is further recommended that of those nominated, at least a portion be individuals who also served on the RHNA Housing Methodology Committee.

Negotiated Transfers

Two or more local governments may also agree to an alternate distribution of appealed housing allocations between the affected local governments. If two or more local governments agree to an alternative distribution of appealed housing allocations that maintains the total housing need originally assigned to these communities, then the subregion shall include the alternative distribution in the final allocation plan.

Appeals Response

Within 45 days of the completion of the 60 days for hearing appeals, or 45 days from January 2008, (mid-February 2008) ABAG is to release a “proposed final allocation plan.” The proposed plan is to include responses to all comments and/or appeals received on the draft allocation. It is also to include any significant revisions.

Final RHNA

No later than June 2008, or within 45 days of the issuance of the “proposed final regional allocation plan,” ABAG is to hold a public hearing to adopt the FINAL regional allocation plan. Within 60 days, the state Housing and Community Development Department shall determine whether or not the final plan is consistent with the existing and projected housing need for the region. HCD may revise the allocation to obtain this consistency.

Schedule of RHNA Next Steps

Action	Date
Open Appeals Period	November 15, 2007
Form Appeals Subcommittee	November 15, 2007
Subcommittee Hears Appeals	December-January 2008
Public Hearing on Appeals	January 17, 2008
Release Proposed Final RHNA Plan	January 17, 2008
Public Hearing on Final RHNA	March 20, 2008
Release Final RHNA	March/April 2008
HCD Determines RHNA Compliance	June/July 2008

Summary Recommendations

Staff respectfully recommends that the Executive Board:

- 1) Deny the revision request of 280 units for the City of Mountain View. Staff believes that the lack of planning authority for the NASA Ames land does not preclude the requirement to plan for the housing generated by NASA Ames.
- 2) Accept the revision request of 645 units for the City of Palo Alto. This amount was attributed to Palo Alto due to housing growth, existing jobs and job growth at Stanford University. Transfer these units to Santa Clara County. Santa Clara County has planning authority for Stanford University.

- 3) Begin the 60 day appeals period. Appeals period will close on January 17, 2008.
- 4) Form a RHNA Appeals Committee. Committee members could be drawn from the ABAG Board via a self-nominated process. It is further recommended that of those nominated, at least a portion be individuals who also served on the RHNA Housing Methodology Committee.
- 5) Within 45-days of close of 60-day appeals period, hold a public hearing to respond to all appeals. Prior to April 2008, release proposed final RHNA plan to include all comments on appeals. Prior to June 2008, hold a public hearing on final RHNA.

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area

November 2, 2007

Mayor Carol Federighi
City of Lafayette
3675 Mt. Diablo Boulevard
Lafayette, California 94549

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NOV 05 2007

CITY OF LAFAYETTE
PLANNING DEPT.



ABAG

Subject: ABAG Response to Comments on the Draft RHNA Allocations

Dear Mayor Federighi:

Your letter to David Cortese regarding your jurisdiction's draft RHNA allocation was forwarded to me for response. I understand that the City is disappointed that ABAG did not include its earlier suggestions for allocation factors, that city staff disagrees with the method for assigning affordable housing and that staff believes that the growth projections are unrealistic.

While the housing numbers are daunting for many communities, the issues raised by your staff were considered, and rejected, during the method development process. Therefore, the staff cannot support your staff recommendations.

The ABAG Executive Board adopted the Projections 2007 forecast at its November 2006 meeting. Projections 2007, as it has since 2003, contains assumptions, based on regional policies, that encourage growth in existing communities and near transit. These regional policies may, at times, be counter to local land use plans.

In addition, ABAG's Board adopted the final Regional Housing Need Allocation methodology for this cycle at its May 2007 meeting. Those decisions were made after a substantial amount of comment, discussion and advice from a Housing Methodology Committee made up of elected officials, senior staff and interested parties from around the region. In making its decision the Executive Board tried to balance total unit responsibility and the responsibility for providing affordable housing.

Your comments will be part of the materials for the November Executive Board agenda, where we expect this issue to be considered. If you have any other questions, please contact me at PaulF@abag.ca.gov, or 510-464-7928.

Sincerely,

Paul Fassinger
Research Director

cc: David Cortese, Henry Gardner

Members discussed the health and recreational benefits of participating in the program, selection qualifications, outreach to other U.S. counties and cities and to other countries, and county delegations.

President Cortese recognized a motion by Sepi Richardson, Councilmember, City of Brisbane, and seconded by Carole Dillon Knutson, Councilmember, City of Novato, to endorse the International Children's Games, disseminate information, and provide a letter of support. The motion passed unanimously.

President Cortese thanked Mr. Solso and Mr. Thompson for their presentation.

8. DRAFT REGIONAL HOUSING NEEDS ALLOCATION**

Executive Director Gardner commented on the RHNA process, discussions with the Housing and Community Development, the allocation received, the methodology for assigning the regional housing needs numbers, and the assignments to Oakland, San Francisco, and San Jose.

President Cortese recognized Paul Fassinger, ABAG Research Director, who reported on the RHNA process, described the work of the Housing Methodology Committee, and noted the outreach conducted. Director Fassinger reviewed the RHNA methodology and Projections 2007 approved by the Executive Board, the final housing allocation received from HCD, draft allocations and comments. Staff received 19 comments. He described comments and staff responses regarding Palo Alto, Mountain View, and Belvedere. He asked the Executive Board to adopt the Draft Regional Housing Needs Allocation as submitted by staff, with the revision to the allocation for Palo Alto, authorize to begin the 60 day appeals period, and form a RHNA Appeals Committee.

Members discussed the comments submitted by the Cities of Palo Alto, Mountain View, and Belvedere. Members also discussed concerns of small cities about meeting allocations; a legislative program in response to RHNA; the appeals process; penalties resulting from not meeting allocations; certified housing elements. Supervisor McHugh stated that the Santa Clara County Planning Department accepts, but neither agrees nor disagrees with their allocation.

Ronit Bryant, Councilmember, City of Mountain View, requested that the Executive Board not approve the staff recommendation for Mountain View, which includes an allocation based on development of Moffett Federal Air Field. She asked that Mountain View's relationship with Moffett be addressed. She stated that it is inappropriate for 280 housing units to be required of Mountain View because of development activity on Moffett Federal Air Field over which the city has no control.

Margret Abe-Koga, Councilmember, City of Mountain View, on behalf of the City of Mountain View City Council, requested adjustments to the allocation for the city based on the following: Mountain View lacks control over Moffett Field which is almost entirely in unincorporated county territory and under federal jurisdiction, and the city has no control over jobs and housing there; NASA Ames is committed to providing housing on Moffett, and the city has urged the construction of 1,930 housing units on Moffett. She referenced the City of Palo Alto's relationship with Stanford University and said that based on consistency and equity Mountain View should be treated similarly. She asked for assurance that housing on Moffett be credited to Mountain View.

Zelda Bronstein, former chair of the Berkeley Planning Commission, spoke on the allocation for Berkeley. She inquired about the state requirement to consider the impact of colleges and universities and a city's sphere of influence.

Director Fassinger responded that staff's recommendation, accepted by the Housing Methodology Committee and the Executive Board, regarding the influence of universities in individual jurisdictions was that the influence was not differentiated enough for there to be an explicit factor in the methodology for the Bay Area. A city's sphere of influence would include its jurisdiction.

Members discussed the allocations to Mountain View, Palo Alto, and Belvedere.

President Cortese recognized a motion by Mike Kerns, Supervisor, County of Sonoma, and seconded by Gayle B. Uilkema, Supervisor, County of Contra Costa, to approve the draft Regional Housing Need Allocation, with the revision to the allocation for Palo Alto, begin the sixty-day appeal period, and form an appeals committee. On a roll call vote, the ayes were 17, and the nays were 6 (Albertson-Alden, Adams, Daly, Dillon-Knutson, Esteves, Haggerty). The motion passed.

President Cortese accepted nominations and self-nominations for membership on the appeals committee. The nominees were Pete McHugh, Supervisor, County of Santa Clara; Gayle B. Uilkema, Supervisor, County of Contra Costa; Gwen Regalia, Mayor Pro Tem, City of Walnut Creek; Susan Adams, Supervisor, County of Marin; and Sepl Richardson, Councilmember, City of Brisbane.

President Cortese recognized a motion from Supervisor Haggerty, which was seconded by Supervisor McHugh, to approve the nominees to the appeals committee. The motion passed unanimously.

President Cortese thanked Mr. Fassinger for his report.

9. APPROVAL OF FOCUS PRIORITY DEVELOPMENT AREAS**

President Cortese recognized Kenneth Kirkey, ABAG Planning Director, who reported on the status of the Focus Priority Development Areas. A total of 120 PDA nominations from 50 jurisdictions were received. MTC has opened the Station Area Planning Grant program to the PDAs for \$7.5 million and up to \$20 million in planning grants in the coming year. Housing and Community Development has included criteria covering PDAs under Proposition 1C funding for capital programs. He reviewed the objectives of FOCUS and noted the collaboration among regional agencies, and described the work of the FOCUS Working Group and the criteria for Planned and Potential Development Areas. He noted that Santa Rosa should be categorized as planned in the staff recommendation. Next steps include a review of Priority Conservation Area nominations, evaluating planning grants and criteria, continued outreach, and developing technical assistance programs. He commented on the Regional Transportation Plan and the link between land use and transportation. He requested that the Executive Board adopt the Planned and Potential Priority Development Areas and authorized moving PDAs from potential to planned status as they meet the requirement(s) for planned status.

President Cortese recognized a motion by Pamela Torliatt, Mayor, City of Petaluma, and seconded by Supervisor Haggerty, to adopt the Planned and Potential Priority Development Areas and authorize moving PDAs from potential to planned status as they meet the requirement(s) for planned status. A friendly amendment was

accepted regarding the PDA nomination from the City of Richmond and the County of Contra Costa related to that portion of the PDA nomination being moved from potential to planned when either the city adopts a general plan or the county adopts a specific plan to meet the requirement as a planned PDA. The motion passed unanimously.

President Cortese thanked Mr. Kirkey for his report.

10. LEGISLATION & GOVERNMENTAL ORGANIZATION COMMITTEE REPORT**

President Cortese recognized Committee Chair Pete McHugh, Supervisor, County of Santa Clara, who reported on Committee activities. Supervisor McHugh reported that the committee discussed the priorities and action items for the 2007 Legislative Session, including legislation on housing, housing element reform, transportation, land use and related incentives, infrastructure needs, hazard mitigation, water quality management, eminent domain, and global warming; discussed the 2007 bills chaptered and vetoed, and looked at bills carried over into the 2008 session; agreed that an effective outreach strategy for gaining support for policies and priorities was to hold a 2008 Legislative Reception in Sacramento in January with the Joint Policy Committee. The League of California Cities and CSAC to be contacted and requested to be co-sponsors.

President Cortese recognized a motion by Chair McHugh, and seconded by Aimee Albertson Alden, Intergovernmental Affairs Director, City and County of San Francisco, to approve the committee report. The motion passed unanimously.

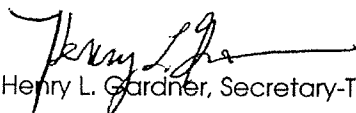
11. FINANCE & PERSONNEL COMMITTEE REPORT**

President Cortese recognized Committee Chair Mark Green, Mayor, Union City, who reported on Committee activities, including a review and recommended approval of the Audited Financial Reports for 2006-2007 and Authorization of Resolution No. 16-07 for issuance of up to \$60.4 million in insured revenue bonds on behalf of jurisdictions under the California Redevelopment Agency Pool (Cal-RAP Program).

President Cortese recognized a motion by Chair Green, and seconded by Supervisor McHugh, to approve the committee report. The motion passed unanimously.

12. ADJOURNMENT

Meeting adjourned at approximately 9:16 p.m.


Henry L. Gardner, Secretary-Treasurer

** Indicates attachments.

*** For information on the L&GO Committee, contact Patricia Jones at (510) 464 7933 or PatJ@abag.ca.gov, or Kathleen Cha at (510) 464 7922 or KathleenC@abag.ca.gov.

All ABAG Executive Board meetings are recorded. To arrange for review of these tapes, please contact Fred Castro, Clerk of the Board, at (510) 464-7913 or FredC@abag.ca.gov.



City of Alameda • California

August 10, 2007

ABAG Executive Board
C/o Henry L. Gardner, Secretary-Treasurer
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Re: Regional Housing Need Income Allocation

Dear Mr. Gardner:

The Planning and Building staff has reviewed the allocation of units and affordability in the Regional Housing Need Allocation and continues to have serious concerns about the income distribution. The income distribution assigns more than half the units to below-market income levels. While this is a laudable goal, it is also extremely unrealistic without State or Federal assistance. Cities alone cannot provide this amount of affordable housing.

The City of Alameda has a 25% inclusionary housing requirement in its three redevelopment areas, which includes the redevelopment of Alameda Point. The City also has a 15% inclusionary housing requirement citywide for areas not within redevelopment areas. These requirements are some of the most stringent in the Bay Area and are already considered aggressive. Increasing the inclusionary housing requirements beyond where they are presently set will make housing too expensive to construct, and therefore, defeat rather than encourage its production.

The City of Alameda is committed to providing the number of housing units in our allocation as it has begun an aggressive new planning process with a new developer for Alameda Point. Where Alameda, and likely most other jurisdictions, will have difficulties is in meeting the exceedingly high affordable housing distributions. We urge you to consider a more realistic distribution that does not require State or Federal assistance for its accomplishments.

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AUG 14 2007

OFFICE

Planning & Building Department
2263 Santa Clara Avenue, Room 190
Alameda, California 94501-4477
510.747.6850 • Fax 510.747.6853 • TDD 510.522.7538

Association of Bay
Area Governments

August 10, 2007
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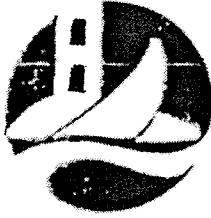
Should you have any questions or wish to discuss this matter, please contact me at (510) 747-6800.

Sincerely,

A handwritten signature in cursive script that reads "Cathy Woodbury".

Cathy Woodbury, AICP ASLA
Planning and Building Director

cc: Mayor Johnson and City Council members
City of Alameda Planning Board
Debra Kurita, City Manager
David Brandt, Assistant City Manager
Michael Pucci, Housing Authority Executive Director
Leslie Little, Development Services Director



CITY of BELVEDERE

450 San Rafael Ave. • Belvedere, CA 94920-2336

Tel: 415/435-3838 • Fax: 415/435-0430

September 20, 2007

Executive Board
Association of Bay Area Governments (ABAG)
Care of Henry Gardner, Executive Director
101 Eighth Street
Oakland, CA 94607-4756

RECEIVED

SEP 21 2007

EXECUTIVE DIRECTOR'S
OFFICE

Re: Regional Housing Needs Assessment (RHNA) Allocation for the City of Belvedere

Dear Members of the ABAG Executive Board;

On July 19, 2007, the ABAG Executive Board adopted the Draft Regional Housing Needs Allocation ("Draft RHN Allocation") for the communities located within the San Francisco Bay Region. The Draft RHN Allocation for the City of Belvedere was 25 new housing units. The City of Belvedere hereby requests a revision of the RHN Allocation pursuant to Section 65584.05(b) of Article 10.6 of the Government Code, and presents its recommendation for a fair and reasonable RHN Allocation, based on the following accepted planning methodologies.

1. The Draft RHN Allocation is faulty because its methodology is based upon mistakes included in ABAG's Projections 2007 forecasts. Because of errors in the Projections 2007 forecast, the Draft RHN Allocation failed to consider "land suitable for urban development or conversion to residential use" as required pursuant to Government Code Section 65584.04(d)(2)(B). On January 16, 2007, the City of Belvedere provided the ABAG Executive Board with a table showing the overestimated growth forecasts for jobs and population shown in Projections 2007. The gross errors in Projections 2007 are described in the table below:

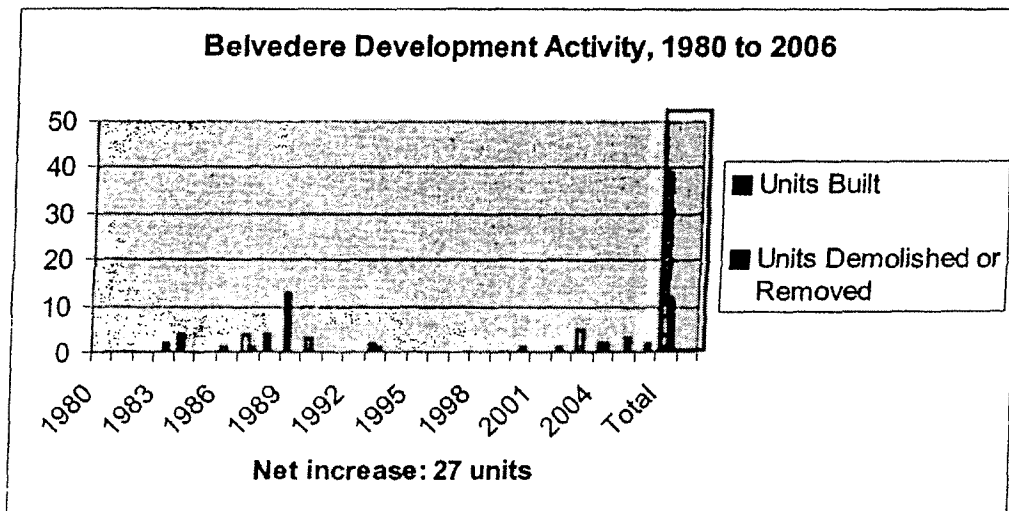
	Belvedere General Plan (2005)	Belvedere General Plan (2020)	Increase	ABAG Projections 2007 (2005)	ABAG Projections 2007 (2035)	Increase	Increase Exceeds General Plan
Households/ Housing	990	990	0	960	1,000	+40	+ 40
Jobs	350	360	+ 10	1,130	1,170	+ 40	+ 30 (+ 810 new jobs)

The existing and potential jobs forecasts are particular concerns to Belvedere because both the Marin Countywide Plan and the City's General Plan anticipate no increases to Belvedere's commercial floor area (75,000 square feet) to the year 2030. Furthermore,

the General Plan establishes existing employment levels as having 780 fewer jobs than ABAG's forecast, and it plans for 810 fewer new jobs. The cause of these errors could be ABAG staff's possible reliance upon business licenses issued in the City for construction related services or other erroneous assumptions. These gross discrepancies are evidence that there is no land suitable for growth to satisfy the City's Draft RHN Allocation or to justify increases in residential development to maintain a "jobs-housing balance."

2. The Draft RHN Allocation is faulty because its methodology is based upon mistakes included in ABAG's *Projections 2007* forecasts related to the history of development and trends in market demand. Because of errors in the *Projections 2007* forecast, the Draft RHN Allocation failed to consider "land suitable for urban development or conversion to residential use" or "market demand for housing" as required pursuant to Government Code Section 65584.04(d)(2)(B) and 65584.04(d)(4).

On January 16, 2007, the City of Belvedere provided the ABAG Executive Board with a table showing the history of residential development in the City of Belvedere since 1980. *Projections 2007* forecasts, and the Draft RHN Allocation based on those forecasts, show significant increases in housing units that are not consistent with past market and development trends in Belvedere. Review of construction activity between 1980 and 2006 demonstrates that small increases in the number of homes in Belvedere were offset by reductions in the total number of homes as properties were merged and housing units were demolished. The table below demonstrates that a net increase of only 27 units, many of them second units, have been built in Belvedere since 1980.



The City of Belvedere developed 27 additional units over the past 26 years. The Draft RHN Allocation would require Belvedere to build 25 units in 5 years. This is an unreasonable requirement for a city of Belvedere's small size and static market demand.

3. The Draft RHN Allocation is faulty because its methodology is based upon mistakes included in ABAG's Projections 2007 forecasts related to environmental constraints. Because of errors in the *Projections 2007* forecast, the Draft RHN Allocation failed to consider "land suitable for urban development or conversion to residential use" as required pursuant to Government Code Section 65584.04(d)(2)(B). On January 16, 2007, the City of Belvedere provided the ABAG Executive Board with the City's environmental constraints, including its proximity to shoreline, liquefaction zones, narrow roadways, traffic congestion, steep topography and landslide hazards. Projections 2007 and the RHNA allocation should be consistent with a City's policies and, where the forecasts exceed the City's General Plan, the reasons for the increase must be provided in detail to allow the City to comment on land rendered unsuitable for development by environmental constraints.
4. The Draft RHN Allocation is faulty because the details of the terms and formula of its methodology were not released. ABAG's description of the formula states that *Projection 2007* will be used by ABAG as a basis for the proposed RHNA allocation formula. However, the proposed formula is based on expected growth from 2007 to 2014, and *Projections 2007* forecasts growth from 2005 to 2015. No definition has been provided for terms such as "public transit stations" and other key variables. As requested from the ABAG Executive Board on January 16, 2007 and from ABAG staff multiple times, the formula and variables by which ABAG has calculated the Draft RHN Allocation must be released. The City of Belvedere therefore formally requests, pursuant to the Public Records Act, Section 6250 et seq. of the Government Code, that ABAG provide to the City of Belvedere an electronic copy of all documents, models and other information used as the basis for growth projections or other considerations for the City of Belvedere for Projections 2007 and the Draft RHN Allocation. We look forward to your response within 10 days as required by the Public Records Act.
5. Finally, the City of Belvedere respectfully requests that the ABAG Executive Board consider the City's recommended RHN Allocation, which is based upon actual construction in the City of Belvedere and reasonable increases beyond City forecasts and trends. Between 1999 and 2006, nine (9) new housing units were constructed in the City of Belvedere. A RHN Allocation of 10 new units for the 2007 to 2014 time period would be a fair and reasonable expectation. This goal of a 10% increase above actual construction, as well as the requirement to satisfy the RHN affordability categories, would continue to challenge the City to address the region's affordable housing needs while supporting the City's efforts to do so.

Sincerely,


Pierce Macdonald, Planning Manager

cc: Belvedere City Council and Planning Commission
George Rodericks, City Manager
Robert Epstein, City Attorney
Riley Hurd, III, Deputy City Attorney

Mr. Henry L. Gardner, Executive Director
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

Re: Comments on Release of Draft Regional Housing Needs Allocation.

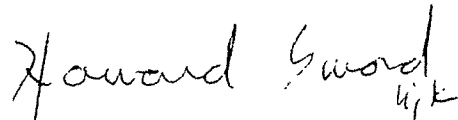
Dear Mr. Gardner:

Thank you for the opportunity to review and comment on the draft Regional Housing Needs Allocation. We also want to take this opportunity to voice our strong support for the methodology developed for this regional housing needs allocation. We also wish to voice our concern that the regional numbers and methodology used to obtain this allocation remains intact and that the methodology is not amended resulting in more units being allocated to suburban communities. The fairest and most rational approach places more affordable housing near to existing transit stations.

If the methodology ignores this important factor, the result is counter to the intent of a "jobs-housing" balance and creates an increased burden upon communities far away from jobs centers without transit rather than requiring those communities who have or will have mass transit facilities during this timeline to develop these necessary affordable housing opportunities. This increases commuters and commute times and contradicts the protection of environmental and agricultural resources.

Again, we thank you for this opportunity to comment and support the methodology used for this 2007-2014 allocation.

Sincerely,



Howard Sword
Community Development Director

RECEIVED

COMMUNITY DEVELOPMENT DIRECTOR'S



THE TOWN OF
CORTE MADERA
MARIN COUNTY CALIFORNIA

300 TAMALPAIS DRIVE
CORTE MADERA, CA
94925-1418

www.ci.corte-madera.ca.us

TOWN MANAGER
TOWN COUNCIL
415-927-5050

TOWN CLERK
415-927-5086

FINANCE / BUS. LICENSE
415-927-5055

FIRE DEPARTMENT
415-927-5077

PLANNING / ZONING
415-927-5064

BUILDING INSPECTOR
415-927-5062

TOWN ENGINEER
PUBLIC WORKS
415-927-5057

RECREATION DEPARTMENT
415-927-5072

SANITARY DISTRICT NO. 2
415-927-5057

TWIN CITIES POLICE AUTHORITY
415-927-5150

September 21, 2007

Paul Fassinger, Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604

Re: Response on Release of Draft Regional Housing
Needs Allocation

Dear Mr. Fassinger:

The Regional Housing Needs Allocation (RHNA) was released to jurisdictions for review on July 24, 2007, opening a 60-day public comment period that allows local governments to comment on the draft RHNA pursuant to Government Code § 65584.05 (b). According to this section, a local government may request from ABAG a revision to its share of the regional housing need in accordance with the factors used to determine the distribution methodology. These factors include household growth and employment growth projections which we contend are erroneous. This letter explains why the Town's share of the regional housing need is inappropriately high and requests a reduction in the needs allocation.

As you know, the Town of Corte Madera responded to the draft Projections 2007 document on October 20, 2006. We pointed out that the household growth projections were inappropriately high given the documented growth pattern of the Town and the growth policies in our General Plan. The Town's General Plan is based in part on historical trends of household and employment growth, and, more importantly, the land inventory available to support the remaining growth opportunities.

RHNA Response
September 21, 2007
Page 2

The Town's concern with the draft RHNA distribution is based in part on the drastic increase from the last Regional Housing Needs Allocation. The last RHNA distribution was based on a housing allocation of 230,743 units assigned to ABAG for the Year 2000 RHNA; the current distribution is based on a housing allocation of 214,500 units for the 2007 RHNA (Tables 1 and 2 respectively)

Housing Needs Determination 2000 (Table 1)

Very Low	Low	Moderate	Above Moderate	Total Need
29 units (16.2%)	17 units (9.5%)	46 units (25.7%)	87 units (48.6 %)	179 units (100%)

Housing Needs Determination 2007 (Table 2)

Very Low	Low	Moderate	Above Moderate	Total Need
68 units (27.9%)	38 units (15.6%)	46 units (18.8%)	92 units (37.7 %)	244 units (100%)

Tables 1 and 2 show that the Town of Corte Madera would be assigned 65 more housing units than in the previous cycle. This is a 26% increase to the Town while the region's number is decreased by approximately 1% from the last RHNA cycle. In addition to the Town's "total need" number increase, the distribution within the *very low* and *low* categories of affordability has more than doubled. The Town of Corte Madera contends that there is an inequity factor built into the RHNA methodology that ignores to the Town's growth patterns and availability of land to accommodate additional growth.

Table 3 identifies the historical growth pattern of the Town of Corte Madera using Census Bureau and Department of Finance figures.

US Census Bureau/DOF Figures (Table 3)

	1970	1980	1990	2000	2007
Total Population	8,464	8,074	8,272	9,100	9,465 *

* State Department of Finance Estimate

Census and DOF data show that the Town's population grew by only 636 persons in 30 year period (1970 – 2000) which equates to roughly 212 persons per decade. The RHNA assignment of 244 units with an average household

RHNA Response
September 21, 2007
Page 3

size of 2.4 persons would mean that it is anticipated that the Town's population will grow by approximately 585 persons within the next five (5) years. There is no factual basis for this projected increase. The projections used in the methodology for the RHNA distribution are too high and should be reduced accordingly.

Town staff objected to the draft *Projections 2007* document (Table 4) when it was released for comment by the ABAG Executive Board. Our position today remains as it was then: The Town does not have sufficient vacant residentially zoned property to support the projected household growth, nor does it have vacant commercial or industrial zoning that could be converted to residential use.

ABAG Projections 2007 (Table 4)

	2010	2020	2025	2030	2035
Total Population	9,800	10,300	10,500	10,500	10,900

As you know, the *Projections 2007* figures were used in the housing methodology modeling as part of the RHNA distribution. Pursuant to state law, the Town of Corte Madera may request from ABAG a revision to its share of the regional housing need in accordance with the factors used to determine the distribution methodology. The Town believes the population and household growth factors used to determine the methodology were too high and should be reduced to reflect a true representation of the Town's obligation to provide state mandated housing opportunities (Government Code § 65584.05 b).

Employment growth is also a factor in determining the RHNA for each local government. The approved methodology used to distribute the RHNA assumes that the Town of Corte Madera will realize an exponential rate of job growth over the next 30 years. Pursuant to the *Projections 2007* document approved by the ABAG Executive Board in December 2006 and distributed on January 10, 2007, the total jobs projected for the Town of Corte Madera results in a net increase of approximately 1,920 jobs over the next 30 years. As mentioned in the Town's October 20, 2006 letter regarding the draft *Projections* document, the amount of projected "growth" did not correspond with the development opportunities in the Town's General Plan. The rate of job growth should be commensurate with the availability of land suitable for the creation of infrastructure improvements necessary to support such employment growth. ABAG's overestimation of employment growth in the Town of Corte Madera has skewed the RHNA which results in a higher than expected obligation for this housing cycle.

RHNA Response
September 21, 2007
Page 4

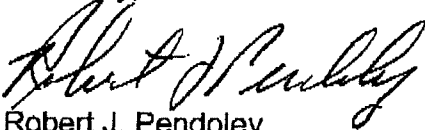
Available sites essentially do not exist thereby calling into question the draft RHNA's distribution. The Town's land inventory shows that the potential additional commercial development in the community is approximately 390,942 square feet scattered over approximately 100 parcels, for an average of less than 4,000 square feet per parcel. Obviously, few if any 4,000 square foot commercial projects are viable development opportunities, especially when they involve properties that have already been developed. This is a theoretical build out of commercially zoned parcels with a realistic build out to be much less. Similar to the Town's request on the household growth figures, the Town believes the employment growth figures used to determine the methodology for the RHNA distribution were too high and should be reduced to reflect a true representation of the Town's obligation to provide state mandated housing opportunities (Government Code § 65584.05 b).

Conclusion

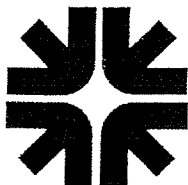
The Town of Corte Madera supports affordable housing opportunities to all segments of its population. State Housing and Community Development Department certified our Housing Element in 2002, and we exceeded our RHNA allocation. Securing a correct RHNA is critical for the upcoming Housing Element update cycle. Accordingly, the Town requests that its RHNA be reduced to reflect the correct household and employment growth projections as supported by factual evidence. Understanding that the region's total housing need obligation was reduced by approximately 1% from the last cycle, the Town equally believes that its housing unit obligation should be reduced from the last cycle where 179 units were required to be planned. The Town respectfully requests a reduction at this time.

If you have any questions regarding the points raised in this letter, I would be happy to meet with you.

Sincerely,



Robert J. Pendoley
Planning Director/Assistant Town Manager



CITY OF EMERYVILLE

INCORPORATED 1896

1333 PARK AVENUE
EMERYVILLE, CALIFORNIA 94608-3517

TEL: (510) 596-4300 FAX: (510) 596-4389

August 29, 2007

Dave Cortese
President, Executive Board
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

RECEIVED

SEP 06 2007

EXECUTIVE DIRECTOR'S
OFFICE

RE: City of Emeryville Comments on the Release of the Draft Regional Housing Need Allocation for Bay Area Jurisdictions

Dear President Cortese and members of the ABAG Executive Board:

Thank you for providing Bay Area jurisdictions the opportunity to comment on the draft Regional Housing Need Allocation (RHNA) for the Bay Area. The City of Emeryville would like to provide comments on the City's draft allocation that was approved by the Association of Bay Area Governments at its July 17, 2007 Executive Board meeting.

As noted in our previous letter to you dated January 8, 2007, the City of Emeryville has been a very strong leader in producing housing for all income levels. The recently released ABAG report, "*A Place to Call Home*," shows that in the prior RHNA period of 1999 through 2006 (an excerpt of which is attached), Emeryville produced 1,822 units, more than double the 777 units allocated through the RHNA process. In Alameda County, Emeryville produced a greater share of its very low income allocation than any other jurisdiction, and produced a greater share of its low and moderate income allocations than most other County jurisdictions. The City has been able to achieve these housing allocation goals by actively supporting the development of higher density, urban infill, residential and mixed use projects.

The City's allocation for the next period is 1,137 units, a 46% increase over the last period. Its allocation relative to its limited size (1.2 square miles) is quite significant (932 units per square mile have been allocated). As shown on the attached table, this far exceeds the allocation that other Alameda County jurisdictions, *and even San Francisco, a seemingly denser, large city*, received, compared to their land areas. We feel that the City should be credited for its successes rather than given an even higher need allocation as a result of its past production.

The City of Emeryville has concerns that the strong residential production seen over the past five years (and reflected in the City's surpassing of the 1999-2006 need allocation) is not likely to continue during the next RHNA period. Furthermore, the City wishes to create an active, livable, and sustainable community in which a variety of land uses may be accommodated, including commercial, residential, and industrial uses. While the City of Emeryville applauds ABAG's efforts at incorporating regional smart growth policies such as the promotion of higher density, in-fill development near existing employment and transit centers, the City feels that its strong record of producing *exactly this type of housing* has resulted in an allocation that places yet more pressure on our city to produce high levels of residential development, without heed for competing demands in the community to balance out residential development with other commercial or industrial development, preserve land for other uses such as parks

Letter to ABAG Executive Board
August 22, 2007
Page 2 of 2

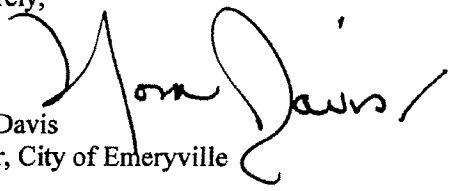
and community facilities that improve Emeryville's quality of life, and develop at more moderately-scaled densities.

Taking these factors into account, the increase in Emeryville's housing allocation from the 777 units allocated during the last period to the 1,137 units allocated this period will be more difficult to achieve. Therefore, the City does not wish to have its 2007-2014 allocation increased beyond the allocation assigned to it during the 1999-2006 period.

The City of Emeryville has begun its process to update the housing element of its General Plan, which is due to the State of California Department of Housing and Community Development (HCD) by June 30, 2009. By state law, the housing element must provide evidence that zoning is in place to allow for the development of the jurisdiction's regional housing allocation, it must identify sites that are appropriately zoned for production of the housing, and it must provide for the removal of regulatory barriers to that development. The City of Emeryville is proud to acknowledge that its current housing element was adopted and certified by State HCD ahead of schedule and in full compliance with State housing element law. The City wishes to continue this record in the next housing element update period. However, the City does not have the sites available to accommodate the draft allocation issued by ABAG through the RHNA process, thereby increasing the chance that the City's housing element is not certified by the State. Given the City's limited size (1.2 square miles) and urban setting, there is no vacant land for development, and nearly all residential development is the reconstruction of previously developed sites. Given the increased emphasis on State certification of housing elements for funding opportunities, and the increased risk of lawsuits to cities that lack certified housing elements, the City of Emeryville views as imperative the adoption of a housing element in full compliance with State housing element law. It is essential that our allocation be reduced to assist us with compliance.

The City of Emeryville wishes to thank you for giving it an opportunity to comment on the draft regional housing need allocation for Bay Area jurisdictions. If you have any questions, please do not hesitate to contact Amy Hiestand, Community and Economic Development Coordinator, at 510-596-4354, or the City's Housing Element Project Manager, Deborah Diamond, at 510-596-4303.

Sincerely,


Nora Davis
Mayor, City of Emeryville

Attachments:

- 1) RHNA by Land Area Chart
- 2) RHNA Compliance/Performance Table

cc: Emeryville City Council
Emeryville Planning Commission
Emeryville Housing Committee
Emeryville General Plan Committee
Emeryville Climate Change Task Force
Emeryville School/City Committee
Patrick D. O'Keeffe, City Manager
Charles Bryant, Planning Director
Deborah Diamond, Housing Element Project Manager
Amy Hiestand, Community and Economic Development Coordinator



TOWN OF LOS GATOS

CIVIC CENTER
110 E. MAIN STREET
P.O. Box 949
LOS GATOS, CA 95031

September 18, 2007

ABAG Executive Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

RECEIVED
SEP 18 2007
EXECUTIVE DIRECTOR'S
OFFICE

Subject: RHNA Allocation

Dear ABAG Executive Board Members;

The Town of Los Gatos is formally requesting that the Regional Needs Housing Allocation (RHNA) distributed to the Town be revised. Los Gatos is particularly concerned about the percentage of below market rate (BMR) housing allocated to the Town, which accounts for 67 percent of the total allocation. By comparison, the BMR requirement for the current Housing Element was 51 percent.

The Town supported the methodology developed by the Housing Methodology Committee (HMC) that allocated BMR units based on the regional average and was troubled by the Executive Board's determination to change the methodology after months of discussion.

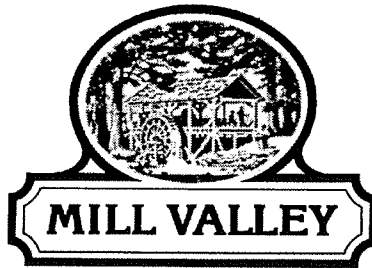
The ability to construct BMR housing in Los Gatos is constrained by the high land costs and limited resources to write down the cost of housing. We do not have the large redevelopment agency housing budget or Community Development Block Grant allocations of larger cities.

The requirement that 67 percent of future housing be BMR units is not feasible. Instead of encouraging affordable housing, the allocation is clearly unattainable and impairs the ability to garner community support for affordable housing. This requirement essentially sets up communities to fail.

The Town Council is concerned about the lack of the affordable housing in the area and has aggressively worked to provide low income housing for the community. While more needs to be done, Los Gatos is proud of our efforts to provide affordable housing, which includes implementation of a Below Market Price Housing (BMP) and use of our limited Redevelopment Agency funds.

Under the methodology adopted by the Executive Board, the larger cities received a higher number of total units in return for suburban communities having a higher percentage of BMR units. However, the units allocated to the larger cities will be provided by the market, while the affordable units required of suburban communities





VIA ELECTRONIC, FAXIMILE AND US MAIL

September 18, 2007

Mr. Paul Fassinger
Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604

Re: Comments on Draft RHNA Allocation for 2007-2014 Cycle

Dear Mr. Fassinger:

Thank you for the opportunity to review ABAG's Projections 2007 and Draft Regional Housing Needs Allocation (RHNA) Numbers. As indicated in our letter dated October 24, 2006 and by way of this letter, the City of Mill Valley urges you to revise your Draft RHNA Projections based on the historical growth trends and growth policies of the City.

There are several aspects limiting the City of Mill Valley's ability to grow, including the large amount of protected open space, flooding and environmental issues, aging community/demographics, and building heights and zoning restrictions. Most of the City's developable land has been utilized, and the City is now in the process of identifying opportunities for redeveloping and in-filling vacant and underutilized land in the central corridor of the City. While not a significant amount of land, this is the City's largest opportunity for accommodating new residents and business.

Based on these assumptions, the City has developed the following data that should be used to revise the 2007-2014 RHNA projections for Mill Valley.

Total Population

The 2007 Projections overestimate population starting with its 2005 figures. The City's 2005 population should be reduced to 13,735 based on the California Department of Finance's 2005 statistics.¹

In addition, the total population for the City's Jurisdictional Boundary has increased by an additional 500 persons within the next 30 years (since the 2005 Projections). Although it is anticipated that population will increase based on in-fill development, it is unreasonable to assume that an additional 1,500 individuals will live in Mill Valley by 2035 (50 individuals/year based on a 2.31 individuals per residence², which equates to approximately 22 new residences per year. Mill Valley's land use and housing elements do not support this data, and we would suggest that total population be reduced back to 2005 Projection levels, which equates to an additional 1,265 residents over the next 30 years or approximately 18 new residential units per year.

- 2005 Mill Valley Population: 13,735
- 2035 Mill Valley Population: 15,000
- 30-year increase in population: 1,265 (9% increase)

Total Housing

The 2007 Projections forecast estimates that the City of Mill Valley will grow 820 households within the next 30 years. Based on the City of Mill Valley's 2003 Housing Element, the average household size is projected at 2.31 persons in 2005, and then dropping to 2.25 persons in 2020. (This smaller household size is also confirmed by the California of Department statistics of 2.19 for 2005). Housing data should therefore be revised base on the 2.31 persons per household (or smaller) and total population.

There have been no changes to the City's General Plan that would stimulate the type of household growth forecasted in the 2007 Projections and as illustrated in the Draft RHNA numbers. Besides potential small residential in fill projects along Miller Avenue, the remainder of the City has been built out. Therefore the quantity of new dwelling units is expected to increase at a small rate over the next 30 years. (As noted above approximately 18 new residential units a year is an adequate figure base on population and persons per household).

- Persons per Household: 2.31
- Housing Growth: 18 Housing Units/year
- 1,265 population increase/2.31 persons per Household = 548 additional housing units for the next 30 years, or approximately 18 additional housing units per year.
- **2006-2014 7-year RHNA would therefore equate to 127 new housing units.**

¹ State of California, Department of Finance, *E-1 Population Estimates for Cities, Counties and the State with Annual Percent Change — January 1, 2005 and 2006*. Sacramento, California, May 2006, (<http://www.dof.ca.gov/HTML/DEMOGRAP/whatsnew.asp>).

² City of Mill Valley Housing Element, Adopted September 2003, page 13. 2005 Persons Per Household, which declines to 2.25 in 2020.

Economic Growth/Jobs

The 2007 Projections states that the City's total jobs will increase by 1,360 within the next 30 years (approximately 45 jobs a year). This projection appears unrealistic because there is no vacant land in the City's non-residential areas. The only growth that will occur in Mill Valley is through the redevelopment of existing non-residential space. Where possible, new property will be developed as a mixed-use residential/commercial building, which will increase jobs/housing balance.


Based on the above and keeping with ABAG's 1.26 jobs/household ratio:

- 2035 jobs: 640 additional jobs (Based on 1.26 jobs ratio X 548 additional households for the next 30 years).

Conclusion

The City of Mill Valley requests that your assumptions and draft RHNA numbers be reviewed again based on the above data. Should you have any questions or concerns about the data presented above, please feel free to contact me. We look forward to receiving the modified RHNA numbers.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Staude', with a long horizontal flourish extending to the right.

Danielle L. Staude
City of Mill Valley
Senior Planner

CITY OF PIEDMONT
CALIFORNIA



September 14, 2007

Paul Fassinger
ABAG Research Director
Association of Bay Area Governments
101 Eighth Street
Oakland, CA 94607

Dear Mr. Fassinger:

Thank you for the opportunity to review and comment on the proposed Regional Housing Needs Allocation (RHNA) for 2007-2014. The Piedmont City Council discussed the allocation at its regular meeting on September 4, 2007. We were fortunate to be joined by ABAG Executive Director Henry Gardner so that he could hear our concerns first hand. It was helpful to have Mr. Gardner clarify the rationale behind ABAG's methodology and offer his insights on the RHNA process.

Our specific objection is to the use of a 175 percent "equalizing" multiplier to determine the income distribution of each jurisdiction's RHNA. The outcome of this approach is that 58 percent of Piedmont's allocation consists of very low- and low-income housing units. The City's very low- and low-income unit allocation has increased 130 percent when compared to the 1999-2006 allocation, to the point where Piedmont now has a higher percentage of its assignment in lower-income units than any other city in the Bay Area.

While we support ABAG's efforts to address income divides in the region, we believe the proposed approach is the wrong approach. The methodology fails to take into consideration the practical realities of producing affordable housing in high-cost, low-density, built-out communities. Assigning large shares of lower income units to communities without the land or physical resources to build these units ultimately undermines the region's efforts to produce affordable housing.

We urge ABAG to consider the following two alternatives to the currently proposed approach:

- (1) Reduce the 175 percent multiplier to a more realistic level, such as 125 percent. No justification for the 175 percent figure has been provided, and the outcome for small residential cities is both punitive and unrealistic. Alternatively, we ask that

ABAG do away with the multiplier altogether, so that all communities share an equal responsibility for accommodating housing in each income category. Under this approach, Piedmont's low/very low-income allocation would be 39 percent of its total RHNA number, which is still a 50 percent increase over the 1999-2006 allocation.

- (2) Expand the provisions for transferring RHNA assignments from one jurisdiction to another, or allow cities with severe land constraints to purchase "credits" which support affordable housing construction in jurisdictions with available land. An equitable method for calculating the cash value of such credits should be determined. This approach would make it much more likely that affordable housing is actually built in the Bay Area. It would avoid the need for dozens of jurisdictions to prepare Housing Elements with "smoke and mirror" solutions to meeting RHNA assignments that are widely acknowledged as unattainable.

We believe that many other cities in the region share our concerns and would support these options. We urge their consideration by ABAG staff and the Executive Board as a more effective and responsible way to address our region's housing crisis.

Sincerely,

CITY OF PIEDMONT



Geoffrey L. Grote
City Administrator

Cc: Kate Black

THE CITY OF



PLEASANTON.

RECEIVED

SEP 13 2007

CITY DIRECTOR'S
OFFICE

September 11, 2007

David Cortese, President of the Executive Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

Re: 2007 – 2014 Regional Housing Needs Allocation Process

Dear Mr. Cortese:

This letter requests a revision to the draft RHNA allocations as adopted by the ABAG Executive Board at its meeting of July 19.

As you are aware, I was a member of the ABAG Housing Methodology Committee (HMC) and support the work of ABAG staff and the HMC members. However, the City continues to question the rationale used to generate the adopted allocations.

First, while the City sees the logic and requirement for incorporating factors related to the jobs/housing balance, it would be more appropriate to allocate employment and employment growth on a subregional basis rather than on a city-by-city basis as outlined in the *Draft Methodology*. Utilizing the ABAG-adopted approach leads to a jobs-housing relationship that does not reflect the realities of the market place or live-work relationships and places an inappropriate burden on cities with significant job opportunities.

Secondly, while the City Council understands and supports Smart Growth concepts, we remain concerned about new housing adjacent to transportation corridors that regularly experience gridlock. As a result, I request that traffic gridlock be included as an allocation factor. While ABAG staff did not support this concept, we continue to strive for a mix between housing need, commerce and the impacts of traffic gridlock.

MAYOR AND CITY COUNCIL

123 Main Street

P. O. Box 520, Pleasanton, CA 94566-0802

(925) 931-5001
Fax: 931-5482

David Cortese
September 11, 2007
Page Two

Finally, throughout the HMC process, I proposed an income allocation methodology that factors the difficulty of developing affordable housing in high housing cost areas. Notwithstanding this position, I agreed with the methodology concept that allocates housing based on average regional household incomes. However, the City cannot support the allocation of units based on 175% of regional household incomes. While our City recognizes and supports housing element law requiring disbursement of affordable housing throughout the region, the financial inequality inherent in the new recommendation places an unrealistic and unequal financial burden on the City of Pleasanton and other cities, since the high cost of housing results in significant subsidies required to meet affordable housing.

Pleasanton is concerned that, based on a number of issues including our voter-approved housing cap, the lack of available developable land, housing market forces and the high cost of developing affordable housing, it may be unable to meet the upcoming RHNA targets. As a result, on behalf of the City of Pleasanton, I continue to request you and the Executive Board to seriously consider the issues noted above.

Thank you for your consideration.

Sincerely,



Jennifer Hosterman
Mayor

c: Pleasanton City Council
Nelson Fialho, City Manager
City Housing Commission
✓ Henry Gardner, Executive Director
Paul Fassinger, ABAG Research Director



CITY OF SAN RAMON

2222 CAMINO RAMON
SAN RAMON, CALIFORNIA 94583
PHONE: (925) 973-2500
WEB SITE: www.sanramon.ca.gov

September 6, 2007

RECEIVED

SEP 07 2007

EXECUTIVE DIRECTOR'S
OFFICE

Mr. Henry Gardner, Executive Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

**SUBJECT: Comments on the Association of Bay Area Governments (ABAG) 2007-2014
Draft RHNA Allocations**

Dear Mr. Gardner: *Henry*

The City of San Ramon appreciates the opportunity to review and comment on the draft RHNA allocations adopted by the ABAG Executive Board on July 19, 2007 for the 2007-2014 RHNA cycle. This letter has been prepared to request revisions to the City of San Ramon's allocation.

As expressed in our letter dated January 17, 2007 to ABAG, the City of San Ramon continues to have concerns with the adopted methodology that uses a 175% multiplier in the allocation formula to address existing concentrations of lower income housing within the region. Under the draft allocation, the City of San Ramon would need to plan a minimum of 76% of its housing allocation for below-moderate households over the next seven years. This allocation is contrary to RHNA's objective to provide a mix of housing types and affordability in cities and counties. While we concur with the Board's recognition that cities need to provide adequate housing for all types of income levels, we feel allocations should reflect the future needs of the community. San Ramon supports ABAG in their efforts to reduce existing concentrations of lower income housing, however a 175% multiplier is too aggressive and unrealistic for the seven-year planning period. By only planning for the majority of homes for below-moderate income levels and ignoring the fact that the average household in San Ramon would not qualify for an affordable unit is irresponsible and leaves our City even further behind in providing a housing supply to serve our community's demand.

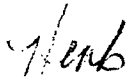
Rather, we encourage the Board to consider incorporating a "job type to housing type balance" in San Ramon's allocation. For example, based on ABAG's *Projections 2007*, 29% of total jobs in San Ramon are "Financial and Professional Jobs" which is 5% higher than the regional total. Growth in the professional job sector is expected to increase in San Ramon during the *Projections 2007* forecast period. These types of jobs generally require technical skill sets and highly educated persons. As

these jobs continue to grow in the Tri-Valley area, cities should also be planning accordingly to provide appropriate housing types for this segment of the population. With its current draft allocation, San Ramon will be unable to provide a much needed mix of housing for our community and ultimately encourages the location of homes further away from a homeowner's job, increasing vehicular commute times, impacting regional air quality including greenhouse gases, and further diminishing the jobs to housing balance.

The City is also concerned about the lack of social services available to serve lower income households in the Tri-Valley area. We feel that approaching the concentration issue incrementally will not only set more realistic goals for our community and the entire Bay Area, but will also give support service providers needed by lower income households, the opportunity to redirect resources to outlying areas as the service population grows. Therefore, the City of San Ramon requests an allocation that would provide a 100 percent adjustment toward the regional average and promoting an equitable regional distribution for future housing production. This approach makes a greater impact than the 1999-2006 RHNA allocation formula which made a 50% adjustment toward the regional income distribution average, but sufficiently addresses existing concentrations of lower income housing.

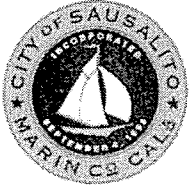
The City of San Ramon strongly encourages the Executive Board to reconsider San Ramon's draft allocation and revise the draft to better reflect the needs of our community. If you have any questions regarding the information in this letter, please contact Debbie Chamberlain, Planning Manager at (925) 973-2566 or via e-mail: dchamberlain@sanramon.ca.gov.

Sincerely,



Herb Moniz
City Manager

Cc: City Council
Phil Wong, Planning/Community Development Director
Marc Fontes, Economic Development Director
Debbie Chamberlain, Planning Manager
Cindy Yee, Associate Planner



CITY OF SAUSALITO

420 Litho Street - Sausalito, CA 94965
Telephone: (415) 289-4100
www.ci.sausalito.ca.us

September 21, 2007

Paul Fassinger
Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604

Re: Draft Regional Housing Needs Allocation

Dear Mr. Fassinger:

The City of Sausalito would like to thank the Association of Bay Area Governments staff for their hard work on the RHNA process, and their engagement with local government through the Housing Methodologies Committee (HMC). I believe the collaborative process that was used with HMC demonstrates ABAG's commitment to ongoing improvements in the RHNA process.

However, the City of Sausalito must inform ABAG that the draft RHNA number for the City of Sausalito, 165 total housing units, remains an unrealistically high number for our very land-constrained community.

Thank you for your consideration.

Sincerely,

Kevin Bryant, AICP
Deputy Planning Director

FAX NUMBERS:

Administration: (415) 289-4167
Recreation: (415) 289-4189

Community Development: (415) 339-2256

Library: (415) 331-7943
Public Works: (415) 289-4138



CITY COUNCIL

Carol Federighi, Mayor
Mike Anderson, Vice Mayor
Brandt Andersson, Council Member
Carl Anduri, Council Member
Don Tatzin, Council Member

September 12, 2007

David Cortese
President, ABAG Board
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

RECEIVED

2007 SEP 12 PM 4:00
CITY OF LAFAYETTE
DIRECTOR'S OFFICE

Dear Mr. Cortese:

In 2006, Mayor Samson sent you a letter with our comments on the draft methodology for the distribution of the State's regional housing needs allocations (RHNA). In the letter, we suggested that topography, congestion and economic impacts be added as factors in determining where future growth should take place. We stated that the incorporation of these key factors would make the allocations process more realistic and achievable. To our disappointment, the Executive Board did not discuss our comments at its meeting, did not incorporate these factors and provided no explanation as to why they were not included.

In January 2007, I sent a letter to you advising you of additional issues we had, including the unrealistic growth projections that the RHNA allocations represented, as well as concerns regarding the income distribution assumptions made by ABAG in determining which jurisdictions, including Lafayette, would be forced to accept an inequitable distribution of lower-income units.

On July 19, 2007, the ABAG Executive Board adopted its draft allocation for the City of Lafayette, which apparently takes none of these concerns into consideration. We were very disappointed to learn that in fact our overall allocation was **increased**, rather than reduced, following the input we provided to your staff. We therefore wish to take this opportunity to again request revisions to the City of Lafayette's allocation, based on the following factors:

1. The new allocation does not take into consideration the real growth of Lafayette household income over time. According to special tabulations of Census data for Lafayette provided by HUD in 1990 and 2000, household growth by income shows a substantially reduced number of lower-income households than the draft allocation implies. The following table shows that between 1990 and 2000, the total number of households earning less than 50% of median (very low-income households, or VLI) dropped by more than nearly 22%. In addition, the number of households earning between 50% and 80% (low income, or LI) increased by almost 18%, while the number of households earning moderate incomes or above remained relatively stable.

Lafayette Income Level	1990 Total Households	2000 Total Households	% change 1990-2000 Total Households
Household Income <=50% MFI (VLI)	936	733	-21.7%
Household Income >50 to <=80% MFI (LI)	552	651	17.9%
Household Income >80% MFI (MOD or ABOVE)	7,545	7,592	0.6%
Total Households	9,033	8,976	-0.6%

For the reasons listed above – and in conjunction with the input we provided in two previous letters – we request that ABAG once again review the allocation established for Lafayette to ensure the fairness of these figures. We are specifically requesting that ABAG revise the distribution methodology back to its original concept of a uniform income distribution for all jurisdictions.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Carol Federighi". The script is fluid and cursive, with the first name "Carol" and last name "Federighi" clearly distinguishable.

Carol Federighi
Mayor



CITY OF MOUNTAIN VIEW

Office of the Mayor and City Council • 500 Castro Street • Post Office Box 7540 • Mountain View, California 94039-7540
650-903-6305 • FAX 650-903-6039

December 12, 2007

Sent Via E-Mail and FedEx December 12, 2007

President David Cortese and Executive Board Members
Association of Bay Area Governments
Joseph P. Bort Metro Center
101 Eighth Street
Oakland, CA 94604-2050

LETTER OF APPEAL OF THE ABAG ADOPTION OF THE DRAFT REGIONAL HOUSING NEEDS ALLOCATION FOR MOUNTAIN VIEW

Dear President Cortese and Executive Board Members:

On behalf of the Mountain View City Council (Council action, December 11, 2007) and the City of Mountain View, I am writing to formally appeal the Draft Regional Housing Needs Allocation (RHNA) for Mountain View (approved by the ABAG Board on November 15, 2007). The November vote by the Board necessitated the need for Mountain View to file this appeal.

Mountain View appreciates ABAG's willingness to support our continued efforts to find equity and clarity in our unique circumstances related to the recommended allocation to Mountain View based on development at Moffett Federal Airfield. The City is also committed to working with ABAG staff to see if there can be a solution, including working with the State Office of Housing and Community Development (HCD). Nevertheless, as we want to ensure our future Housing Elements' certification, we again must reiterate the basis of our prior letters of opposition and the basis for this appeal.

The City of Mountain View appeals the allocation of 280 housing units deemed required because of NASA Ames' development activity at the Moffett Federal Airfield based on the following three (3) technical reasons:

1. **Mountain View's lack of control over Moffett:** The Moffett Federal Airfield is almost entirely unincorporated County territory and it is completely under Federal jurisdiction—Mountain View has no control or authority over development activity at the site. Mountain View lacks the oversight of the development, location, completion time lines and all aspects of the plans for Moffett. As the RHNA process is aimed at addressing the jobs and housing balance, the allocation to a city without any control over either the planning or development of the jobs or housing is flawed.

2. **NASA Ames' commitment to provide housing on the site:** Per the various documents that we have provided to ABAG staff, we have clearly shown that at Mountain View's urging, NASA Ames has committed to construct 1,930 housing units on Moffett to help address the impact of proposed nonhousing development on the site. This requirement was incorporated into the Federal environmental documents for this project. Although, within the last two weeks, NASA Ames has announced an RFP process for the first 1,000 of these units—as this planning and development is outside our control—we do not have the ability to ensure this housing will actually be able to be fully planned for within this RHNA compliance period.
3. **RHNA Allocation Inconsistency:** Mountain View appreciates the difficulty ABAG has in balancing the complexity of the RHNA process that has inherent flaws in the methodology, but we believe there were inconsistencies applied between the allocation standards for similar situations. For instance, those that were approved for Palo Alto related to Stanford University and those to Mountain View for Moffett. The reduction of Palo Alto's RHNA allocation by 645 units to be attributed to Santa Clara County recognized that this portion of their allocation is derived from development at Stanford University within Palo Alto's sphere of influence, but in unincorporated County territory for which the City has no control.

Mountain View is fully committed to being responsible for planning within our sphere of influence—but we would argue there is a technical difference with the Moffett Federal Airfield due to its Federal status. We disagree that there is a reasonable basis to place a requirement on our City regarding property over which we have no control, similar to the Palo Alto rationale. In addition, if the rationale to attribute the 280 units to Mountain View were to remain in HCD's Final RHNA Plan, then it would stand to reason that HCD should then attribute any units NASA builds on Moffett to Mountain View's credit.

In summary, based on the aforementioned three (3) considerations, the City of Mountain View formally appeals the Draft Regional Housing Needs Allocation as approved by the ABAG Board on November 15, 2007. Representatives of the City

Page 3

Council are available to represent our views throughout the appeal process. We appreciate the Board's consideration, of this appeal.

Sincerely,

Laura Macías

Mayor

609-12-11-07L-E^

- Mountain View Second Letter of Opposition to ABAG Draft Allocation (September 14, 2007)

cc: Mr. Paul Fassinger, Research Director, ABAG

CM, CA, CC, ACM, ATCM—Thomas, CDD, PM—Shrivastava

COPIES TO COUNCIL, CM. CA; REFERRED TO DD & PM-SHRIVASTAVA FOR
APPROPRIATE ACTION

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

M E M O

November 16, 2007

RECEIVED
CITY OF MOUNTAIN VIEW

To: Parties Commenting on the ABAG Draft RHNA Allocations

NOV 19 2007

From: Paul Fassinger *OK*
Research Director

OFFICE OF THE CITY CLERK

Subject: Adoption of the Draft RHNA Numbers and Appeal Process

At the ABAG Executive Board meeting on November 15, 2007, the Board acted to adopt the staff recommendations.

The only allocations that were changed since the draft numbers were released in September were for the City of Palo Alto and Santa Clara County. The number of units attributable to Stanford University, or 645, were transferred from Palo Alto's allocation to Santa Clara County's.

A 60-day appeal period is commencing as of today and will conclude on January 16, 2008. Letters documenting specific technical reasons that a revision should occur should be directed to:

Paul Fassinger
Research Director
ABAG
P.O. Box 2050
Oakland CA 94604-2050

The appeals will be heard by a special committee that has been established by the ABAG Executive Board.

If you have any questions, please feel free to contact me at either paulf@abag.ca.gov or 510-464-7928.





CITY OF MOUNTAIN VIEW

Office of the Mayor and City Council • 500 Castro Street • Post Office Box 7540 • Mountain View, California 94039-7540
650-903-6304 • FAX 650-903-6039

November 14, 2007

Sent Via E-mail and FedEx 11/14/07

PRESIDENT DAVID CORTESE AND EXECUTIVE BOARD MEMBERS
ASSOCIATION OF BAY AREA GOVERNMENTS
P.O. BOX 2050
OAKLAND, CA 94604-2050

**SUBJECT: ABAG EXECUTIVE BOARD MEETING OF NOVEMBER 15, 2007 —
AGENDA ITEM # 8 REGIONAL HOUSING NEEDS ALLOCATION**

Dear President Cortese and Executive Board Members:

On behalf of the Mountain View City Council and the City of Mountain View, I am writing to request that the Board adjust the staff recommendation regarding the Draft Regional Housing Needs Allocation (Item #8 on your November 15, 2007 report), as it relates to the City of Mountain View. This recommendation includes an allocation to the City of Mountain View based on development at the Moffett Federal Airfield. We believe this allocation is completely without merit and should be eliminated without the need for the City of Mountain View to pursue a subsequent formal appeal process. Please do not approve the staff recommendation without adjusting the allocation for the City of Mountain View.

First, I want to assure you that the Mountain View City Council fully appreciates the difficult and complex task that ABAG faces in fulfilling its requirements to allocate housing growth throughout the region. While it is not our desire to make this task more difficult, we believe our circumstances are unique and need to be addressed by the Executive Board prior to taking action on this item. Second, I trust the Board will understand our long-standing commitment to meeting our City's and the region's housing needs. Through the use of innovative strategies such as smart growth and transit oriented development, we provide housing for a population of 72,200 residents — all in an area of only 12 square miles.

We believe that it is highly inappropriate to allocate to the City of Mountain View the 280 housing units deemed required because of NASA Ames's development activity at the Moffett Federal Airfield. The Moffett Federal Airfield is almost entirely unincorporated County territory and it is completely under Federal jurisdiction. The City of Mountain View has no control or authority over development activity at the site.

Page Two

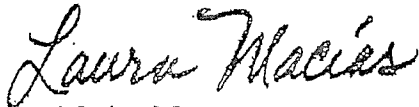
A November 2, 2007, letter to me from ABAG's Research Director Paul Fassinger states: "Cities in Santa Clara County are responsible for planning within their sphere-of-influence areas." While this is generally correct, this is not the case with Moffett Federal Airfield due to its Federal status. Additionally, while development in unincorporated pockets throughout the County is generally conditioned upon annexation, this is also not the case with Moffett. We disagree that there is a reasonable basis to place a requirement on our City regarding property over which we have no control.

Additionally, and very importantly, your staff may not have been aware of NASA Ames's commitment to construct housing on its property. Consistent with the City of Mountain View's urging, NASA Ames's adopted long-term land-use plan for the Moffett Complex (the Ames Development Plan) includes a commitment to construct 1,930 housing units on Moffett to help address the impact of non-housing development on the site. This requirement was incorporated into the Federal environmental documents for this project. Within the last two weeks, Ames has announced an RFP process for the first 1,000 of these units.

We have also learned that ABAG staff is recommending that Palo Alto's RHNA allocation be reduced by 645 units, recognizing that this portion of their allocation is derived from development at Stanford University. It is our understanding that this recommendation is based on: (1) Stanford being unincorporated County territory, and (2) Stanford having prepared an environmental document providing for the provision of housing to mitigate their commercial/office development. We believe it would be wholly inconsistent to retain the proposed allocation to Mountain View for Moffett in the context of the Palo Alto/Stanford rationale.

In summary, since the City of Mountain View does not, and will not, have jurisdiction over any type of development at Moffett Federal Airfield — also recognizing NASA Ames's commitment to provide housing on site and consistent with the Palo Alto/Stanford rationale — we request that the Board amend the proposed draft allocations to the City of Mountain View, eliminating the 280 units resulting from activities at the Moffett Federal Airfield.

Sincerely,



Laura Macias, Mayor
City of Mountain View

cc: CC, CM, ACM, ATCM-Thomas/Woodhouse, CA, CDD, PM



CITY OF MOUNTAIN VIEW

Office of the Mayor and City Council • 500 Castro Street • Post Office Box 7540 • Mountain View, California 94039-7540
650-903-6305 • FAX 650-903-6039

September 14, 2007

Mr. Paul Fassinger, Research Director
Association of Bay Area Governments
P.O. Box 2050
Oakland, CA 94604-2050

DRAFT REGIONAL HOUSING NEEDS ALLOCATION

Dear Mr. Fassinger:

The City of Mountain View is pleased to submit the following comments regarding the draft RHNA allocation assigned to our City.

As you know, in Santa Clara County, cities are responsible for planning for growth within their sphere-of-influence areas which, for urbanized communities, are primarily unincorporated areas under County jurisdiction which may be annexed in the future.

Based on discussions with your staff, we understand that Mountain View's allocation includes approximately 280 housing units assigned to us based on growth occurring within the NASA Ames area, which is within our sphere of influence. However, the NASA Ames area, although in our sphere of influence, is controlled by the Federal Government, and the City does not have any authority to plan for growth in this area. This is a unique situation which is very different from cities which plan for growth in other unincorporated sphere-of-influence areas. We, therefore, recommend that the 280 housing units assigned to our City due to growth at NASA Ames be removed from our total draft allocation of 2,879 housing units, to bring our total to 2,599 housing units.

Thank you for the opportunity to comment on our draft housing allocation.

Sincerely,

Laura Macias
Mayor

LM/AMS/2/CLK/402-09-14-07L-E^

cc: LAFCO
Santa Clara County Government Center
70 West Hedding Street
San Jose, CA 95110
CM, CDD, PM

ATTACHMENT 5

7. OLD BUSINESS

A. Niroop Srivatsa, Planning & Building Services Manager

Appeal of the 2007 Regional Housing Needs Allocation: Appeal of the draft housing allocations assigned by the Association of Bay Area Governments (ABAG) to Lafayette for the period 2007-2014 which are: 113 very-low income, 77 low-income, 80 moderate income and 91 above-moderate income units for a total allocation of 361 units.

Recommendation: Consider authorizing the Mayor to file an appeal with the ABAG Board regarding the RHNA numbers for Lafayette.

Planning and Building Services Manager Srivatsa said before the Council is a staff report and suggestion by staff that the Council consider appealing the ABAG Board's approval of the regional housing needs allocation (RHNA) numbers for Lafayette. The report contains a breakdown of the RHNA allocation by income type and they have an obligation over the next seven years to have programs in place that will facilitate construction of 361 dwelling units. The City has until January 16, 2008 to file the appeal which would preserve the City's right to litigate in the future. She said the process is for the City to submit a letter to the ABAG Board by the January 16th deadline citing specific technical reasons why a revision or reduction should occur. She offered staff's views on this point, stating over the last year, Lafayette has submitted a number of letters to the ABAG Board's Housing Methodology Committee, requesting it reconsider the allocations in terms of the overall number and distribution by income type. Staff has cited topographical, economic and infrastructure constraints that make it extremely difficult to meet those numbers. Every step of the way ABAG staff and Board has accepted their letters, but has not changed the numbers. Given this, it is staff's opinion that appealing the decision will not cause a reduction or change in distribution by income type.

Ms. Srivatsa said she also polled planners from Contra Costa County last week. Of the 19 jurisdictions, less than 6 submitted comments like Lafayette had to ABAG. None of them are going to appeal the RHNA numbers and if Lafayette chooses to do so it will probably be the only jurisdiction in the County.

Regarding pro's and con's of filing an appeal, it will provide the City's right to litigation if chosen in the future, but in staff's opinion there is no new technical information we can submit to ABAG which would cause them to revise the numbers.

Vice Mayor Tatzin said the one thing that has changed is that the housing market is going in a different direction. There are lots of vacant homes in the Central Valley, there are increasing foreclosures in eastern Contra Costa County, and there is widespread speculation that the construction of housing will be depressed for several years. ABAG has provided a number by the State Department of Finance, but when that number came down, the housing market was not what it is today. He wondered if this should be raised as a new issue that has arisen since the process began, and for the 2007-2014 period there is likely to be an impact on the ability of the entire region to build homes. Ms. Srivatsa said it sounds like a reason for ABAG to look at its overall allocations, however, ABAG receives its numbers from the State and the State must look at its overall numbers throughout California.

Councilmember Anduri said he had not seen the requirement that these are new technical reasons and Ms. Srivatsa said he was correct; they are technical reasons and staff has offered those reasons before and have been turned down.

Councilmember Anduri said he would be interested in what the costs are to appeal. Unless there is a significant cost, he would be in favor of appealing to preserve the right to litigate and he would cite what the City has given them in the past because it had apparently not been discussed; there has been no public indication that anyone has read the City's submissions. He would also use Vice Mayor Tatzin's points as a background, but he would not make that the special appeal but to consider it in light of the changing economics.

Ms. Srivatsa said she did not know what the cost of appeal is and staff can investigate this. There is one Council meeting between January 16, 2008 and it could be as simple as sending a letter or it may require more staff analysis.

City Manager Falk said there may be additional costs to simply appeal and its processes. He said ABAG is instrumental in the allocation of parks grants, housing grants, urban development grants, and there may be costs associated with antagonizing ABAG that the Council may wish to calculate.

Councilmember Andersson said he has seen the letters and responses in the past from ABAG. He questioned if it was staff's expectation that a formal appeal process would be significantly different or would it garner the same attitude. Ms. Srivatsa said ABAG has indicated they will establish a Special Committee to hear appeals filed by the deadline. She can pursue this more and get more details, but in her opinion it will be representatives from ABAG making the final recommendation to the Board and the Board will decide on the matter. She noted that Diana Elrod, the City's housing consultant, said one of the repercussions of filing an appeal is that if the City is successful, its numbers removed from Lafayette will be assigned to another jurisdiction and other cities will not be pleased to receive Lafayette's numbers.

PUBLIC COMMENTS:

LYNN HIDEN reiterated her concerns about grid-locking the downtown for various reasons of safety, damaging fiscal stability in the downtown and she is more interested in that rather than the welfare of the other cities and their opinions. She said Lafayette's topography and infrastructure is unique in the County and Bay Area. She does not feel it matters whether the City wins the appeal, but that it has appealed and that it protects our options to litigate. She and former City Attorney Charlie Williams used to play "what if" and it was his opinion that the City may have to someday sue ABAG. She hopes this does not occur, to litigate over the methodology given the fact ABAG could stack numbers on Lafayette or Moraga that we are potentially harmed in the future. Therefore, she asked the Council to preserve the option and create the appeal.

Mayor Anderson questioned whether continuing the appeal process keeps the City open to litigate this particular set of numbers or was it important to continue so that they have the option to litigate in the future. City Attorney Subramanian said the appeal was only for this cycle.

Councilmember Andersson said it seems to him that given ABAG's response to this point, there is not much expectation of success. He does not know what successes in litigation would be, but he was more concerned that ABAG evaluate the process they went through to come up with the methodology itself before the next round. He thinks among various objections, the scheme they came up with is not only bad for Lafayette but for others in providing housing. The key thing for him is to make sure the City has done everything it can to make them aware of our objections to the methodology and process so the next time an earlier start can be taken to have them look at that approach. He did not think appealing or litigating would have any effect or be beneficial, given the fact that the process was not straight-forward.

Vice Mayor Tatzin said as Ms. Elrod pointed out that no other City would want Lafayette's numbers and the same would occur with the opposite situation. He suggested asking staff to remain in touch with ABAG staff to find out how many appeals are coming in, to draft an appeal letter ready for the January 14th meeting, and if there are a lot of appeals, the City might want to send ours. But, if we are the only appealing City, then we might not want to. He suggested continuing the item and asked staff to report back.

Councilmember Anduri said in looking at it from someone being not that familiar with ABAG, he said he would want to make the City's case, have a record that we are not happy with what they did this year. We would not want there ever to be some feeling at ABAG that we must have ultimately been happy with it because we did not appeal. He said unless staff reports back that there is a huge cost to the appeal, he would support appealing but said he is willing to wait until January 14th to make that decision.

Mayor Anderson said he is concerned that the appeal might end up being a problem for the City more than a benefit. He asked if the City can accommodate the numbers it is being assigned in the general plan or would the general plan have to be amended. Ms. Srivatsa said the City can accommodate 361 units. The current Housing Element has an inventory of underdeveloped sites in the downtown which can accommodate slightly over 400 units and Lafayette used this to have its Housing Element certified. Where there is some concern is whether the City will be able to produce the very low and low income units, even given the fact the City has a Redevelopment Agency and we are considering the inclusionary housing ordinance.

Mayor Anderson confirmed with Ms. Srivatsa that the much more affluent cities were given higher percentages of low and very low income housing units they must achieve across the board. He said it would be useful to know if ABAG was receiving any appeals from similar affluent communities, but he felt it would not be good for Lafayette to be the only appeal and would want to start working with other cities that are appealing in the next cycle so we have a leveraged group in the process.

Councilmember Anduri questioned if an alternative to appeal would be to have staff draft an alternative letter that acknowledges ABAG has not read the City's letters, that we do not believe it is worth appealing, but we will send another letter to be on record. Vice Mayor Tatzin suggested this could be discussed at the January 14th meeting.

ACTION: It was M/S/C (Tatzin/Andersson) to ask staff to prepare the basis for an appeal letter, to remain in contact with ABAG staff between now and the next meeting and

report to the Council what cities are appealing, identify the cost of the appeal, and that the matter and decision be continued to January 14, 2008. Vote: 4-0-1 (Federighi absent).